

# Philanthropy's Awareness Deficit

Results from Survey of Engaged Americans



## Engaged Americans show limited knowledge of foundations and their impact, according to survey

### Undercurrent of positive feelings toward foundations also revealed

Foundations are isolated from many citizens on the front lines of local, regional and national efforts to improve American society, according to a new survey. These engaged Americans generally feel uninformed about the work of philanthropy and struggle to provide examples of the impact foundations have on their communities or issues important to them. At the same time, they express positive feelings toward foundations and their overall social value.

Commissioned by the David and Lucile Packard Foundation for the Philanthropy Awareness Initiative and conducted by Harris Interactive, the survey posed questions about foundations to individuals who hold a leadership, committee or board-level role in an organization working on community or social issues.<sup>1</sup> This is not the general public but a far narrower slice—constituting just 12 percent of the American adult population. Engaged Americans tend to be older (the majority are 45 or above) and more educated (more likely than the general population to have a college degree) and represent a wide range of professions, including business executives and government officials, as well as individuals who have applied for and received grants from foundations as part of their community leadership role.

All told, the findings paint a picture of foundations as little known among key players in the efforts they seek to support.

**Engaged Americans** constitute just 12 percent of the American population and represent individuals who hold a leadership, committee or board-level role in an organization working on community or social issues.



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1. This survey was conducted by Harris Interactive on behalf of the Packard Foundation in May 2007 and January 2008 among 733 U.S. adults aged 18 and older who have held a leadership, committee or board level role in a group or organization working on a community or social issue within the past year. For a full summary of the survey methodology, please see page 9.

Despite direct engagement in the social causes and organizations that foundations fund, many engaged Americans seem to know little about foundations themselves. Three findings in particular indicate a significant awareness deficit facing the field of organized philanthropy among critical stakeholders:

- More than half (56%) cannot name a foundation on their first try, when asked which ones come to mind.
- Six out of ten (60%) consider themselves somewhat or not at all informed about foundations.
- Few can cite examples of a foundation's impact on their community (15%), and even fewer can give an example of a foundation's impact on an issue they care about (11%).

"These findings are even more shocking than the Council on Foundations 2003 survey that found only 11% of the general public could name a foundation," says Joel Fleishman, a professor at Duke University and author of *The Foundation: A Great American Secret*. "The survey speaks volumes about the invisibility of foundations and how they are not doing a good job of getting out the word to the public about what they are and do. It also suggests that the very organizations foundations support are remiss in their obligation to keep their own leaders, board members and volunteers informed of the funding landscape in which they exist. Both combine to make foundations even more vulnerable to ill-informed actions by government."

At the same time, the survey brings some good news for organized philanthropy. Despite the sobering indicators of the sector's distance from the most civically engaged, this and prior surveys also reveal an undercurrent of positive feelings about foundations. Earlier research<sup>2</sup> indicates that majorities of engaged Americans support foundations' continued role in the nonprofit sector and trust their stewardship of private charitable funds without need for government regulation. The latest study indicates that they believe their community would suffer if foundations no longer existed.

"These individuals are the most connected and influential in their communities and are among philanthropy's most vital potential partners and supporters, so the findings should be a concern to foundation leaders," says Chris DeCardy, the Packard Foundation's vice president. "It's not only a matter of political support. We need their engagement as a critical connection to innovative ideas, to a new infusion of leadership and to successful partnerships with the public and private sector that foundations must have to help nonprofits make lasting differences in American society."

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2. Source: Harris Interactive DonorPulse Survey, January 2006

## Basic Awareness: Foundations Don't Come to Mind



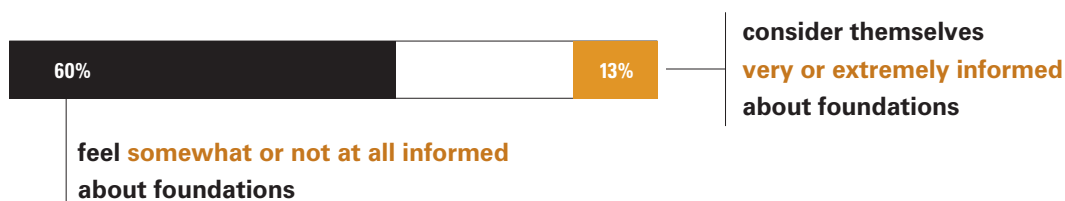
**56% cannot name a foundation on first try**

The survey began with a simple question: when you think of foundations, which ones come to mind? Plenty of organizations did come to mind—but only a few were actually foundations. Only 43% of engaged Americans were able to name a foundation on their first try.

All told, of the nine organizations mentioned most, only four are foundations, the rest public charities:

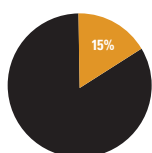
Bill & Melinda Gates Foundation .....	16%
Ford Foundation .....	13%
Red Cross .....	6%
Susan G. Komen Breast Cancer Foundation .....	5%
Salvation Army .....	4%
Goodwill Industries International .....	3%
Pew Charitable Trusts .....	3%
Rockefeller Foundation .....	3%
United Way .....	3%

In turn, engaged Americans don't consider themselves to be informed about foundations. Whereas 13% consider themselves to be very or extremely informed about foundations, six out of every ten (60%) feel somewhat or not at all informed about foundations.

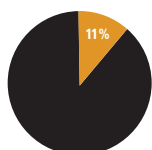


## Telling the Difference: Despite Interest in Impact, Few Can Cite Examples of It

Beyond the question of awareness, many foundation leaders wonder about a deeper issue: how well do engaged Americans understand philanthropy's impact?<sup>3</sup> The answer, according to the survey, is not well at all. When asked if they could provide an example of a way a foundation has benefited the community in which they live or an issue they care about, large majorities struck out in both cases.



**Only 15 percent can cite an example of how a foundation has had an impact on their community.** Most (11%) cite community foundations in their examples, while only 4 percent mention private foundations.



**An even smaller portion (11%) can cite an example of a foundation's impact on an issue they care about**—6 percent mentioning community foundations in their example, 5 percent private foundations.

Even as engaged Americans struggle to name examples of foundations' impact on issues and communities, clear majorities are interested in these *kinds* of foundation impact, when compared to other kinds. For instance, respondents were asked to rank their likelihood to read stories about foundation impact on "specific organizations," "specific people," or "an issue I care about." A majority (51%) prefer to read about foundation impact on an issue they care about, compared to impact on specific people (32%) or specific organizations (17%).

Meanwhile, when asked to think about foundation impact using a geographic lens, more than three-quarters say they want to hear about local kinds of impact rather than more global kinds. Whereas few engaged Americans say they're most likely to read a story about a foundation's impact on their state (8%), the U.S. (6%) or the world (7%), the vast majority (79%) prefer stories about foundation impact on their local community.

### Which kind of story about foundation impact would you be most likely to read?



3. Please see the PAI Digest *Five Questions about Demonstrating Impact*, [www.philanthropyawareness.org](http://www.philanthropyawareness.org).

Respondents were also asked to consider how important it is for foundations to have an impact on a variety of specific areas. While a majority say it's important to have an impact in *all* areas, an overall pecking order seems to emerge in terms of which are commonly considered important: schools and libraries receive the highest ratings (90%), followed by the needy (88%), operations of nonprofit organizations in general (81%), the environment (81%), health care (80%), affordable housing (78%), economic development (73%), and arts and culture (70%).

Finally, although most can't name specific examples of impact, engaged Americans are more evenly divided when it comes to the question of how much of a *presence* foundations have in their community. Around one third believe foundations have a strong or very strong presence (32%), one third a moderate presence (33%) and one third a weak or no meaningful presence (35%).

## Silver Lining: Foundations Might Not Be Understood, But They Are Valued

Engaged Americans consider foundations valuable—to local communities, the nonprofit sector and society in general—even though they don't fully understand them. For example, more than half (52%) think it would be a great loss or very much of a loss to their community if foundations no longer existed. According to a similar poll done in 2006, most (81%) agree it's important to our society that private individuals and organizations have the right to set aside money in foundations to be used to fund organizations of their own choosing. And more than three out of every four (76%) say that private foundations are important, very important or extremely important in helping the larger nonprofit sector achieve its goals.<sup>4</sup>

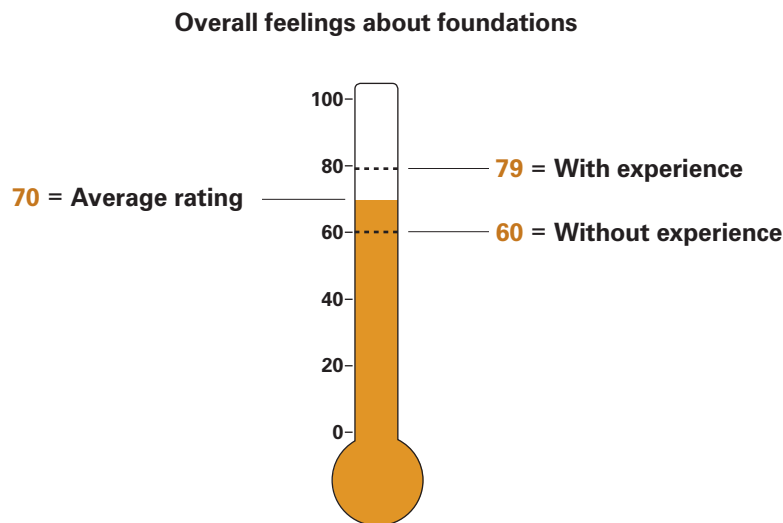


**52% think it would be a significant loss to their community if foundations no longer existed**

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4. Source: Harris Interactive DonorPulse, January 2006

Additionally, foundations enjoy favorability ratings that most politicians would envy. On a scale of 1 to 100, in which a rating of “1” means “very negative feelings” and “100” means “very positive feelings,” engaged Americans give foundations an average rating of 70. For those who have had no experience with foundations—helping to identify foundations as funding sources, applying for a grant, receiving a grant, serving on foundation staff or board, etc.—the number drops to 60. For those who have had such experience with foundations, it rises to 79.



Foundations also are trusted by a majority of engaged Americans. Only about one in five (19%) think the government needs to place stricter controls on how private foundations make grants.

Finally, contrary to perceptions that negative news media coverage of foundations receives disproportionate attention from key audiences outside philanthropy, few engaged Americans (13%) describe the tone of information or communications they have heard, seen or read about foundations over the last year as somewhat or very negative. Just under half (48%) describe such communications as somewhat or very positive. And experience leads to even more favorable impressions: among those with any involvement with foundations, more than half (57%) describe communications about foundations as positive.

“We’re struck by the overall low levels of awareness about the work of foundations, but we’re not surprised that they’re still accompanied by positive feelings,” says Michele Salomon, Senior Research Director, Public Affairs and Policy, at Harris Interactive. “Other research we’ve done points to similar findings. For example, our surveys of the broader population of active Americans—those who donate, volunteer or advocate—show that they have favorable views toward the nonprofit sector as a whole but are uncertain of how well it is actually doing.”

## Key Factors: Experience with Foundations Matters

In the survey, Harris Interactive examined the views of engaged Americans with varying degrees of involvement with foundations, including those who had served as partners, consultants, trustees and staff of foundations (25% of the total sample); those who had received a grant or applied for one (15%); and those who had limited exposure to foundations through learning about an issue through written information or a foundation-sponsored meeting or briefing or had helped to identify foundations that may be funding sources (17%).

Such experience with foundations helps increase understanding, according to the survey. For example, whereas 43% of those engaged Americans with some degree of involvement in foundations consider themselves somewhat or not at all informed about foundations, that number almost doubles, to 82%, for those with no personal involvement with foundations whatsoever.

In a similar vein, the survey found that the degree of involvement engaged Americans have with foundations has a big impact on how much they value foundations. Those who have experience with foundations—as partners, trustees, staff, consultants, grantees, grantseekers, meeting participants or communication recipients—are almost twice as likely as those with no foundation experience (65% to 33%) to consider it a loss to their community if foundations no longer existed.

### Would you consider it a loss to your community if foundations no longer existed?



Political persuasion also matters. Nearly six in ten (58%) Democrats believe it would be a great loss or very much of a loss to their community if foundations no longer existed, compared to over four in ten (45%) Republicans and about the same proportion (48%) of Independents. Along the same lines, nearly half (49%) of Democrats believe foundations have a strong or very strong presence in their community, compared to 21% of Republicans and 24% of Independents.

The survey also found a correlation between how much of a presence engaged Americans believe foundations have in a community and how concerned they would be if foundations no longer existed. Among those who feel that foundations have a strong or very strong presence in their community, more than eight in ten (83%) feel it would be a great loss or very much of a loss if foundations no longer existed. By contrast, among those who consider foundations to have only a weak presence or no meaningful presence at all in their community, just 14% feel this way.



## What's Next?

We hope these findings help philanthropy's leaders better understand the sizable gaps in awareness, knowledge and engagement that still exist between foundations and American citizens and how to best bridge those gaps.

A growing number of foundations and philanthropy associations are taking on the challenge—discovering ways to communicate value, demonstrate impact, tell stories, build relationships, make connections, and begin vital conversations with the engaged Americans whose views are the subject of this digest. This work should be done, for the sake of philanthropy's future impact, growth and support. It can be done. And it is being done.

You can help, in three ways:

1. Share your views with us about the implications of these findings for philanthropy's work.
2. Let us know what other questions about foundations you would like to ask engaged Americans for the next set of surveys.
3. Join the community of foundations and other interested groups working on these issues.

Contact Mark Sedway at [mark@philanthropyawareness.org](mailto:mark@philanthropyawareness.org) and learn more at [www.philanthropyawareness.org](http://www.philanthropyawareness.org).

We invite you to be part of the effort.

## Methodology

This survey was conducted online within the United States by Harris Interactive on behalf of the Packard Foundation between May 7 and May 22, 2007 and between December 27, 2007 and January 7, 2008 among 733 U.S. adults aged 18 and older who have held a leadership, committee or board level role in a group or organization working on a community or social issue within the past year. Of these, 371 engaged Americans completed the survey in May 2007 and 362 completed the survey in January 2008. Results were weighted as needed for age, sex, race/ethnicity, education, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult engaged American population. Because the sample is based on those who agreed to be invited to participate in the Harris Interactive online research panel, no estimates of theoretical sampling error can be calculated.



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Managers of the Packard Foundation / PAI survey: Michele Salomon and Allison Dickin



The **PHILANTHROPY AWARENESS INITIATIVE** is an effort of foundations and other interested groups to increase the engagement of influential Americans in the work of philanthropy. We aim to accomplish this purpose primarily by identifying, developing and sharing effective ways to communicate with those stakeholders about the unique role, work and impact of foundations in American society.

Better connecting with government, business, nonprofit and media decision makers for greater mutual understanding and impact is a critical opportunity for U.S. philanthropy today. It will help the foundation sector build necessary political support, take promising programs to scale, invite new ideas, and encourage more philanthropy.

*Project Advisors:* Chris DeCardy (Packard Foundation), Lowell Weiss and Anne Green (Gates Foundation), Eric Brown (Hewlett Foundation), Daniel Silverman (Irvine Foundation), David Morse (Robert Wood Johnson Foundation). *Project Staff:* Mark Sedway (Sedway Associates) and Courtney Spalding-Mayer (Northwestern University Public Interest Fellow). *Project Graphic Designer:* Karen Gibson

## FINDINGS: Basic Awareness

### 1. First mention in response to "When you think of foundations, which ones come to mind?"

May 2007	
N=371	
Mention a foundation	43%
<i>Private</i>	24%
<i>Community</i>	18%
<i>Corporate</i>	1%
Mention a nonprofit organization	27%
Don't know, none, decline to answer	29%

### 2. Top mentions in response to "When you think of foundations, which ones come to mind?"

May 2007	
N=371	
Bill & Melinda Gates Foundation	16%
Ford Foundation	13%
Red Cross	6%
Susan G. Komen Breast Cancer Foundation	5%
Salvation Army	4%
Goodwill Industries International	3%
Pew Charitable Foundation	3%
Rockefeller Foundation	3%
United Way	3%

### 3. "How informed do you consider yourself to be with regard to foundations?"

Combined Waves	
N=733	
Extremely informed	5%
Very informed	8%
Informed	27%
Somewhat informed	43%
Not at all informed	17%

## FINDINGS: Telling the Difference

### 4. "Can you offer an example of a way a foundation has benefited the community in which you live?"

Combined Waves	
N=733	
Yes, cites an example and mentions a foundation	15%
<i>Yes, cites an example and mentions a private foundation</i>	4%
<i>Yes, cites an example and mentions a community foundation</i>	11%
Yes, cites an example and mentions a nonprofit organization that isn't a foundation	19%
Yes, cites an example but is unable to name a specific foundation	13%
No, does not cite an example	52%

### 5. "Can you offer an example of a way a foundation has had an impact on an issue you care about?"

January 2008	
N=362	
Yes, cites an example and mentions a foundation	11%
<i>Yes, cites an example and mentions a private foundation</i>	5%
<i>Yes, cites an example and mentions a community foundation</i>	6%
Yes, cites an example and mentions a nonprofit organization that isn't a foundation	18%
Yes, cites an example but is unable to name a specific foundation	7%
No, does not cite an example	65%

### 6. "Which of the following kinds of stories about the impact foundations have would you be most likely to read?"

January 2008	
N=362	
A story illustrating a foundation's impact on an issue I care about	51%
A story illustrating a foundation's impact on specific people	32%
A story illustrating a foundation's impact on specific organizations	17%

**7. "Which of the following kinds of stories about the impact foundations have would you be most likely to read?"**

January 2008	
N=362	
A story illustrating a foundation's impact on my local community	79%
A story illustrating a foundation's impact my state	8%
A story illustrating a foundation's impact on the world	7%
A story illustrating a foundation's impact on the U.S.	6%

**8. "How important do you think it is for foundations to have an impact on each of the following through their work?"**

January 2008	
N=362	
<i>Those for Extremely Important/ Very Important/Important</i>	
Schools and libraries	90%
The Needy	88%
Operations of nonprofit organizations in general	81%
The Environment	81%
Health care	80%
Affordable housing	78%
Economic development	73%
Arts and culture	70%

**9. "Considering all they do, how much of a presence do you feel foundations have in your community?"**

May 2007	
N=371	
A very strong presence	14%
A strong presence	18%
A moderate presence	33%
A weak presence	22%
No meaningful presence	13%

## FINDINGS: Silver Lining

**10. "As someone who is engaged in your community, how much of a loss would it be to your community if foundations no longer existed?"**

Combined Waves	
N=733	
A great loss	30%
Very much of a loss	22%
A moderate loss	24%
Somewhat of a loss	16%
None at all	8%

**11. "Please indicate your level of agreement with the following statement: It is important to our society that we maintain the right of private individuals and organizations to set aside money in trust to be used to fund charitable and nonprofit organizations of their choosing."**

January 2006	
N=381	
Strongly agree	47%
Somewhat agree	34%
Neither agree nor disagree	16%
Somewhat disagree	2%
Strongly disagree	1%

**12. "Based on what you have heard, how important is the role of private foundations in helping the larger charitable and nonprofit sector achieve its goals?"**

January 2006	
N=381	
Extremely important	15%
Very important	34%
Important	27%
Somewhat important	22%
Not at all important	2%

**13. "Please rate your overall feelings about foundations, from 1 to 100. '1' means you have 'very negative feelings' for foundations and '100' means you have 'very positive feelings' for them."**

	May 2007	
	Mean rating	
<b>Overall</b>	<b>69.7</b>	<b>N=371</b>
Any experience	78.5	N=194
<i>Foundation leaders</i>	83.1	N=78
<i>Grantees/grant seekers</i>	75.3	N=59
<i>Those with indirect experience</i>	75.6	N=56
No experience	60.0	N=177

**14. "Thinking of what you have heard, seen or read about foundations over the past year, on the whole how would you describe the overall tone of information or communications?"**

	Combined Waves
	N=733
Very positive	13%
Somewhat positive	35%
Neither positive nor negative	40%
Somewhat negative	10%
Very negative	2%

**15. Overall tone of communications by level of experience**

	Combined Waves	
	N=419	N=314
	Any exp <sup>5</sup>	No exp
Very positive	17%	7%
Somewhat positive	40%	28%
Neither positive nor negative	31%	53%
Somewhat negative	10%	10%
Very negative	2%	3%

**16. "Please indicate your level of agreement with the following statement: The government needs to place stricter controls on how private foundations are allowed to make grants to charities and nonprofit organizations."**

	January 2006
	N=381
Strongly agree	7%
Somewhat agree	12%
Neither agree nor disagree	30%
Somewhat disagree	27%
Strongly disagree	24%

5. "Any experience" equals respondents who fall into any of the three categories described in finding #4.

## FINDINGS: Key Factors

**17. "As part of your community leadership role, please indicate if you have any of the following experiences with foundations."**

Combined Waves	
	N=733
<i>Foundation leaders</i>	
Served as trustee, staff member or consultant to a foundation or partnered with a foundation on an issue	25%
<i>Grantees / grant seekers</i>	
Applied for and/or received a grant	15%
<i>Those with indirect experience</i>	
Learned more about an issue through a foundation meeting or briefing or written information and/or helped to identify foundations that may be funding sources	17%
None of the above	43%

### 18. Informed about foundations by level of experience

Combined Waves		
	N=419	N=314
	Any exp	No exp
Extremely informed	8%	1%
Very informed	13%	1%
Informed	36%	16%
Somewhat informed	40%	47%
Not at all informed	3%	35%

### 19. Loss to community by level of experience

Combined Waves		
	N=419	N=314
	Any exp	No exp
A great loss or very much of a loss	65%	33%
A moderate loss	19%	30%
Somewhat of a loss or not at all	16%	36%

### 20. Loss to community by political party

Combined Waves			
	N=261	N=176	N=200
	Democrats	Independents	Republicans
<i>Loss to community</i>			
A great loss or very much of a loss	58%	48%	45%
A moderate loss	20%	25%	29%
Somewhat of a loss or none at all	22%	27%	25%

### 21. Presence in community by political party

May 2007			
	N=135	N=180	N=111
	Democrats	Independents	Republicans
<i>Presence in the community</i>			
A very strong or strong presence	49%	24%	21%
A moderate presence	25%	35%	38%
A weak presence or no meaningful presence	26%	41%	41%

### 22. Loss to community by presence in community

May 2007			
	N=172	N=83	N=116
	Very strong or strong presence	Moderate presence	Weak or no meaningful presence
A great loss of very much of a loss	83%	45%	14%
A moderate loss	10%	37%	20%
Somewhat of a loss or none at all	7%	19%	66%